



Redevelopment Member Presentation 3.0

Project planning and financing

Introductions

Georgie Silverwood – Commodore

Rollo Wright – Head Infrastructure Committee

Shaun Chalmers – Treasurer

Henry Dyer - CEO

Construction Summary

Builders – Lloyd Group (<https://lloydgroup.com.au>)

Start date – 14th February 2022

Limited Temporary Clubhouse facilities -14th February until 27th February

Temporary Clubhouse opens - 4th March 2022

Practical completion date – 26th October 2022

SSCBC Clubhouse reopen date – Mid/Late November 2022

Cost break down

- \$5.9m – construction fixed price
- \$250k – remaining design consultants and PM
- \$200k – FFE
- \$50k – authorities
- \$350k – contingency
- **\$6.75m – total cost to complete**

Lloyd Group (<https://lloydgroup.com.au>)

Preferred contractor

1. Innovative group using technology to construct efficiently
2. Grassed areas, ramp from the carpark to remain accessible for the members.
3. Project management of the installation and setup of the temporary clubhouse facilities.
4. Assistance with the setup of the new clubhouse while defecting before handover.
5. Appointed to build the Sorrento ferry terminal with staffing synergies across the two projects.
6. Excellent past projects - Ten Minutes by Tractor
7. Financials are sound.
8. Tender submission price was most competitive out of the four tenderers and the most competitive after value management negotiations.
9. Tender submission program had the earliest completion date (26 October 2022 with 15 weather days included)
10. The Lloyd family are peninsula based (live in Sorrento). Their head office is in Port Melbourne although they have a small office in the Sorrento main street. Most of their trades are also peninsula based.

Value engineering

The initial pricing received from the tenderers was based on the tender documentation i.e. without consideration to value management. The following rounds of qualifications were based on suggested value management items put forward by the tenderers. \$400k of items were adopted (value management) with none of these items compromising the design or amenity of the building.

Targeted Areas:

- Specialist lighting rationalised
- Direct pricing received from a contractor for the Mechanical / AC
- Kitchen equipment
- Timber cladding specie and battening
- Joinery rationalisation
- Alternate comparable fixtures and finishes

Over the years members have offered their products at a discount or as a donation. Now that a contractor has been engaged, a process will begin with how the club can incorporate these offers efficiently into the delivery. We welcome any members wishing to be involved in the process to touch base with Henry.

Preserving the history of the club

History workshop

Part of the original scope put together by the Infrastructure Sub-Committee was to ensure the interiors and surrounds honoured the history of the Couta Boat and Off-the-beach sailing boats.

We have engaged Sardine Design (<https://sardine.com.au/>) to design a heritage interpretation scheme showcasing the Couta Boat and Sorrento Sailing Club history through photos and text which will be incorporated into the clubhouse interiors and surrounds.

Honour boards, half wooden boats, commodore photos, trophies and burgee flags

Jane Morgan, Amanda Pearce, Jos Law, Richard Hurley and Henry Dyer have formed a working group to figure out the best way to present the club's memorabilia. Countless hours have already been spent cataloguing and photographing the numerous trophies and artefacts the club has acquired over the years.

Together with Carr, the working group will ensure that the presentation is concise, that the artefacts are well preserved and that the members of today can interact with the pieces.

Operational Considerations

Reconfiguration of lockers

1. Everyone who owns a locker has been asked to remove contents and lock. We plan on issuing new locks.
2. Doors to enter the toilets along the South corridor will change and hence have a ripple effect on the location of some of the lockers.
3. We are working with the builders and architects to map out the exact locker configuration and will inform locker owners as soon as possible.
4. Lockers will remain the same size.

Increasing security (initiatives currently under consideration)

1. Self closing toilet doors downstairs with member tap in card points
2. Appropriate demarcation of members and members guest only areas on the Western Lawn
3. Northern and Western stair access gates
4. Access gates at top of reception landing going down to the hard stand blocking of general public access to the hard stand from the carpark
5. CCTV in and around building
6. CCTV for the jetty, car park and mooring field

Funding strategy

Objectives

- Deliver the project in a financially responsible and sustainable manner
- Continue sailing, food and beverage and other services throughout the construction period
- Ensure capacity to continue investments in other club assets (boats, jetty, equipment etc)
- Stress-tested under downside scenarios

Funding mix

- Based on \$6.75m total project requirement
- Existing cash reserves (Currently c.\$5m)
- Bank Finance with National Australia Bank (up to \$3m)
 - Flexible draw down terms
 - Interest rate: Bank business lending rate (Currently 1.97%) plus customer margin (1.89%) (3.86%)
- *The sources above provide sufficient capacity to deliver the project and meet outlined objectives. Notwithstanding, additional fundraising initiatives outlined on the following page will increase flexibility and reduce borrowing costs.*

Member fundraising initiatives

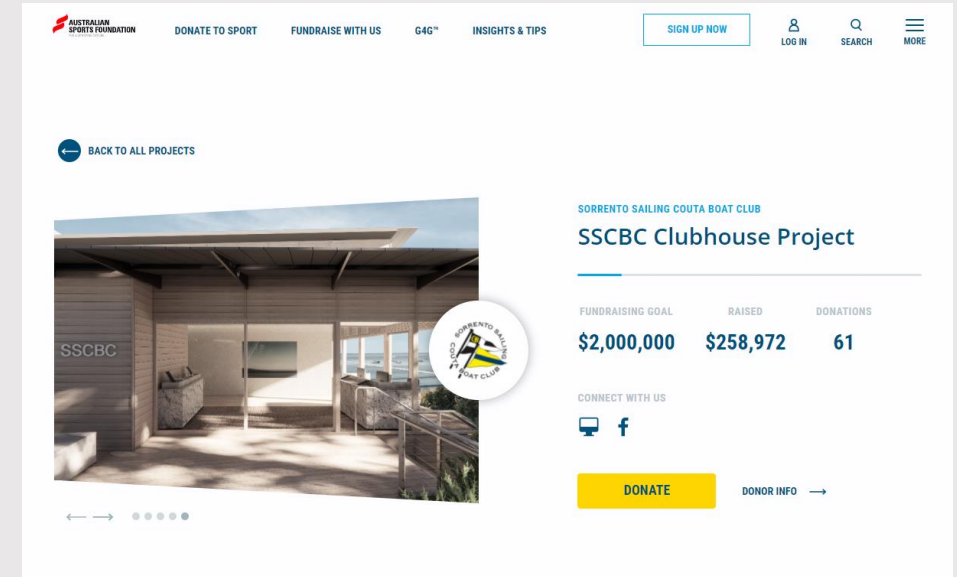
Donations – ASF

- The Australian Sports Foundation (ASF) facilitates tax deductible donations through our existing campaign.
- 5% commission is retained by ASF
- <https://asf.org.au/projects/sorrento-sailing-couta-boat-club/>

Donations – Direct bequests

- Should any Members wish to directly donated, this can be facilitated, however donation will not be tax deductible.

Donations of \$1,000 or more will be recognised (subject to consent)



Member fundraising initiatives

Member bonds

- Invest in five year interest bearing bond with SSCBC
- Interest rate of prevailing 6 month BBSW rate plus 1.5% margin
- Illustrative rate currently: 1.72%
- Interest paid quarterly on a PIC (pay if can) basis. Otherwise it will capitalise
- Minimum investment quantum of \$25,000
- Face value and interest paid at maturity

Other details

- Individuals, superannuation funds (SMSFs) and corporations can invest
- Must qualify as Sophisticated investors (income for trailing two years >\$250k or net assets >\$2.5m) verified by letter from accountant
- SSCBC has partnered with IAM which will provide on-boarding, platform, administration and custodian services. Simple on-boarding process.
- Further information sessions or direct engagement with interested Members

Member bond investors will be recognised (subject to consent)

About Income Asset Management

Income Asset Management (ASX:INY) delivers unparalleled access to a complete income investment service. We aim to provide investors and portfolio managers with the most trustworthy and capable platform to research, execute, and manage their income investments.

Our businesses across deposits, bonds, treasury management, and asset management are all there to enable investors to compare, choose, and execute in the most efficient, transparent, and cost-effective way possible.

Bonds	Access over 150 corporate bonds domestically and internationally.
Cash Markets	Access market leading deposit rates or access our CMA offering 0.40%.
Funds	Fortlake Asset Management – our leading fixed income manager with a focus on generating returns above inflation.
Research	Economic, credit opinions, primary market, trade ideas, and business insights.

IAM
INCOME ASSET
MANAGEMENT

Member fundraising initiatives

Member bonds – Key highlights

- ✓ Successfully deployed in other club environments (Sandringham Yacht Club)
- ✓ Lower interest costs to club
- ✓ Higher interest revenue to investors compared to commercial term deposits
- ✓ Interest rate difference between SSCBC bond rate and NAB loan rate of ~2%+ is retained by the club rather than providing margin to NAB
- ✓ Significant total interest savings to club through indebted period if we have strong take up
- ✓ Increase flexibility to fund non-redevelopment related investments
- ✓ Not rated...

Debt repayment

Operating surpluses

- Strong underlying performance currently observed
- Leverage new facility
- Functions & weddings

Join fees

- New member join fees driven by churn
- Membership growth subject to capacity consideration and Committee review

Building levy

- Member building levy (structure subject further analysis and Committee approval)
 - Target five years or less
 - 10-15% of subscription rate for Members and Paid Life Members (on a proforma basis)

Current modelling, based on supportable assumptions projects repayment of debt (NAB and bonds) in five to seven years.

Temporary Clubhouse Facilities

General

1. Located on the Eastern Lawn
2. Large outside deck perfect to watch the redevelopment take shape, inside heated seating area.
3. Showers and toilets to be provided, located on the hardstand
4. Reception desk, telephones and internet available
5. Sailing office will be located on Lavender Hill and we will be using the Sailing Shed throughout.
6. Casual, family friendly environment. Live music on some weekends.

Trading hours

1. March – June (open)
 - a) Friday night (4pm until 8pm), Happy hour 5pm – 7pm
 - b) Saturday (9am – 8pm)
 - c) Sunday (9am – 3pm)
2. July and August – (closed due to temporary license restrictions, coffee service only)
3. Sept – November (open)

Sailing activities

1. OTB as normal
2. Couta boats as normal

Food Menu

Friday night (casual) – rotating menu

1. Lamb/prawn/chicken souvlaki
2. Burgers
3. Chicken buffalo wings

Saturday and Sunday breakfast and lunches

1. Wraps, toasties, granola
2. Charcuterie and cheese platter
3. Gourmet fresh rolls and salads
4. Pies, sausage rolls
5. Ice creams

Saturday night (BBQ) – rotating menu

1. Mixed grill
2. Salads and bread

Special menus and events

1. Paella
2. Live spit
3. Curry nights

Drinks Menu

Non alcoholic

1. Tea and espresso coffee
2. Juices and soft drink
3. Iced coffee and chocolate
4. Mineral water

Alcoholic

1. Selection of wine
2. Selection of local and international beers
3. Aperol spritz
4. Basic spirits

Staffing during the redevelopment

Incredibly important to keep both full time and casual staff engaged with the club during redevelopment so we have experienced staff ready for reopening.

Onsite

1. Business as usual, newsletters, emails, phone calls
2. All full time and several casual staff will be needed to run normal weekend operations
3. Internet, desks and printers will be provided on site

Off site

1. Working on reopening;
 - a) Revamped systems and procedures
 - b) Procurement – AV, kitchen equipment, furniture etc
 - c) IT review
 - d) Casual employment drive ready for reopening
 - e) Customer flow and way finding
 - f) Locker management
2. Staff will be asked to take extended annual leave



EXCITING TIMES AHEAD!!!

THANKYOU FOR ATTENDING